

**TOPIC: SB 10-03 FINANCIAL ACCOUNTABILITY PLANS (FAP)  
REVIEW COMMITTEE**

**PREPARED BY: DR. KIM POAST**

**I. SUMMARY**

Senate Bill 10-03, passed by the Colorado legislature and signed into law, requires that the Colorado Commission on Higher Education (CCHE) accept, review and adopt financial accountability plans (FAPs) from higher education institutional governing boards who seek to raise tuition by more than nine percent. This item recommends the establishment of a ***FAP Review Committee*** to receive and review Financial Accountability Plans as submitted by institutional governing boards. The FAP Review Committee should be comprised of three CCHE members, and will be supported by CDHE staff.

**II. BACKGROUND**

Institutional governing boards that are seeking to raise tuition by more than nine percent per credit hour will be required, through Senate Bill 10-003, to submit five-year financial and accountability plans to the CCHE based on a timeline established by the CCHE. According to the legislation, the FAP is required to include:

- The percentage of the requested tuition increase;
- Evidence that access and affordability for enrollment of low and middle income students will be preserved, taking into account the availability of federal, state, institutional, and private monies;
- Measures the institution will take to reduce student debt load, including amount of need-based financial assistance;
- How the institution will address the needs of underserved and underrepresented students;
- Assurance that operational flexibility measures will not reduce the level of service and quality; and
- Any additional information requested by the CCHE.

The CCHE is required to review each plan and within 90 days of receiving a plan either approve or deny the request for the tuition increase. In approving the plan, the Commission may approve the request for two years and make approval for the subsequent three years conditional upon the governing board's success in implementing the plan. If a plan is denied, the governing board may submit an alternative plan to the CCHE in accordance with any CCHE-adopted timelines. If the CCHE denies a plan, a governing board may increase tuition up to nine percent (or for the School of Mines, double inflation, whichever is greater), and resubmit a plan for a greater increase in the following fiscal year.

**III. STAFF RECOMMENDATIONS**

**That the CCHE appoint a FAP Review Committee as presented.**